

UDK 06:628.1

(133-156)

*Majda Tafra-Vlahović\**

# The Value of Cross-sector Partnership: A Case<sup>1</sup>

## Summary

The aim of the research was to investigate how can a company contribute to empowering communities for water preservation through a cross-sector partnerships for sustainable development. The empirical research provided evidence of success of the particular value added partnership for sustainable development. It was not only cross-sector but also cross national partnership, the quality which particularly added synergistic value to the project on the global level. The partnership had three strategic thrust: awareness raising, capacity building and education and spanning the boundaries of national and supra-national systems that enhance its synergistic effect. Stakeholder approach, collaboration, information exchange; two-way symmetrical communications, building partnership networks and cost effectiveness or value for money were adding values.

**Key Words:** cross-sector partnership, sustainable development, water preservation, empowering communities, stakeholder approach

---

\* The author has PhD and she is an assistant professor at University of Dubrovnik

<sup>1</sup> This text is the original wider version of an unpublished research conducted within the author's postgraduate studies «Cross-sector Partnership for Sustainable Development» at the University of Cambridge, UK, 2006/2007 and represents a reference work with the authority of public presentation.

Ovaj tekst je originalna šira verzija teksta neobjavljenog istraživanja provedenog u okviru autoričina postdiplomskog studija «Cross-sector Partnership for Sustainable Development» na Sveučilištu u Cambridgeu 2006/2007 godinu, te predstavlja referentni rad s ovlaštenjem javnog predstavljanja.

*Majda Tafra Vlahović\**

## Vrijednost među-sektorskog partnerstva: studija slučaja

### Sažetak

Cilj rada je bio istražiti kako tvrtka putem među-sektorskog partnerstva može doprinijeti osposobljavanju lokalnih zajednica za očuvanje vodnog fonda. Empirijsko je istraživanje pružilo dokaze o uspješnosti jednog partnerstva za održivi razvoj s dodanom vrijednošću. To nije bilo samo među-sektorsko već i među-nacionalno partnerstvo što je kao kvaliteta dodalo osobitu sinergijsku vrijednost projektu na globalnoj razini. Partnerstvo je imalo tri strateška uporišta: osvještavanje, osposobljavanje i obrazovanje, uz to premošćivanje međa nacionalnih i supra-nacionalnih sustava koje je osnažilo sinergijski učinak. Pristup interesnih skupina, suradnja, razmjena informacija, dvosmjerna simetrična komunikacija, izgradnja partnerskih mreža i financijska učinkovitost odnosno vrijednost za novac bile su dodane vrijednosti.

**Ključne riječi:** među-sektorsko partnerstvo, održivi razvoj, očuvanje vodnog fonda, osposobljavanje zajednica, pristup interesnih zajednica

---

\* Autorica je doktorica znanosti i docentica Sveučilišta u Dubrovniku

## The Background and the Context

Partnerships do matter. Since the 1990s, partnerships between business and NGOs have become commonplace (Schiller, 2005). Through dialogue, NGOs and businesses are moving from confrontation and limited corporate philanthropy to finding new ways of influencing each other (Holliday et. al., 2002). Now both organizations seek to solve an environmental problem associated with the company's core business without waiting for a government mandate" (Prickett, 2003).

Why do businesses do it? Is it the external social pressure, the *greenwash*, the reputation, the pressure of the demand for constant growth? To go a step further and paraphrase Charles Handy's question, what is the business for? Is it simply that business needs to make money in order to do good as Handy seems to think (2003) and partnership had proved to be an efficient way to serve this goal? Each business on its way through partnership building faces all of these and many other questions. The two most common reasons that CEO of companies involved in partnerships gave in *The 2004 Global Corporate Citizenship Initiative* survey as reported in *Partnering for Success* by the *World Economic Forum* (2005) were: committing to the company's own values, principles, policies and traditions; and protecting corporate reputation and brand. In addition, the CEOs who support the *Global Corporate Citizenship Initiative* stressed that successful stakeholder relations help leverage resources and networks of business operations and thus enable businesses to be more effective in their social and environmental impact.

Put together, the reasons behind business engagement may turn to be purely "business" although the impact of this engagement may turn to be socially beneficial thanks to business engagement and the synergy of partnership that, going "backwards" affects the business and its initial reason for partnering. It is the curve of this process that deserves to be reviewed as the framework of this research, from the effects on the beneficiaries to the effects on the partners, particularly business as the partner undergoing most scrutiny and suspicion in the process

## The Green Danube Partnership

In 2005 *Coca-Cola HBC* and *The Coca-Cola Company* started an ongoing collaboration with the *International Commission for the Protection of Danube River (ICPDR)* titled *The Green Danube Partnership*. In June 2005, the ICPDR signed a Memorandum of Understanding with The Coca-Cola Company and Coca-Cola HBC Bottling Company S.A. (Coca-Cola HBC), for the joint protection and preservation of the Danube River. An extensive range of activities have been initiated as a result with the aim to promote public awareness (Danube Day Celebrations) and support conservation projects in the countries in which The Coca-Cola Company and CCHBC have operations (Austria, Bulgaria, Hungary, Romania, Serbia, Slovakia, Ukraine). A series of events evolved that were related to the annual *Danube Day* celebrations in a number of countries along the Danube River and its subsidiaries and various other activities were promoted. In 2006 within *The Green Danube Partnership* the *Danube Box* was created as a teachers' tool in awareness rising and sensitizing programmes for children. *Danube Day* is celebrated on June 29 throughout the *Danube River Basin*, along small creeks and large streams. The celebration pays tribute to the vital role the Danube and its tributaries play in people's lives: providing water, food, power, recreation and livelihoods. *Danube Day* celebrated the peoples of the region and the wildlife.

*The Green Danube Partnership* has evolved fast due to the robust dynamism of Coca-Cola HBC and ICDPR which initiate collaboration with governments, institutions and organizations in a number of countries but also thanks to *Coca-Cola HBC* strategic orientation to water protection. Management in many countries in which CCHBC operates has launched a number of country specific actions along the lines of this strategy like protection of the Volga River or enabling Nigerian villages to obtain sources of drinking water. The undertaking has led to the development of a series of events particularly linked to annual Danube day celebration.

## Coca-Cola HBC

*Coca-Cola HBC*<sup>2</sup> (*CCHBC*) is one of the leading producers of non-alcoholic beverages. It was formed in year 2000 after the merger between *Hellenic Bottling Company* and *Coca-Cola Beverages*. It now operates in 27 countries in Europe and in Nigeria. The company regularly publishes its sustainability report based on Global Reporting Initiative guidelines, now widely used by reporting companies. Achievements and impact in four key areas: market, workplace, environment and community are reported...

As the source and sustenance of all life and a vital element of its products, water features prominently in *CCHBC*'s commitment to sustainable environment. The company has explored various ways to collaborate with governments, NGOs, various international institutions and individuals in pursuing its goal to empower communities for water protection and preservation. Water is high on the company's agenda not only as an element of all its products and a product itself but is viewed broadly as an endangered resource that requires stewardship and conservation.

## International Cooperation on the Protection of the Danube River (ICPDR)

The Danube River basin is the most international river basin in the world and the water quality is greatly affected by the activities of over 81 million people that inhabit nineteen countries through which Danube flows. Other main problems of the basin are excessive nutrients that are disturbing the ecological balance in the Danube and in the Black Sea. More than 80% of the length of the Danube is regulated and over 700 dams and weirs have been built along its main tributaries.

*The International Commission for the Protection of the Danube River (ICPDR)* is a transnational body, which has been established to implement the Danube River Protection Convention ([www.icdpr.org](http://www.icdpr.org)). The ICPDR is formally comprised by the Delegations of all Contracting Parties to the *Danube River Protection Convention*, but has also established a framework for other organizations to join. As the organization reports on its web page,

---

<sup>2</sup> Today under the name Coca-Cola Hellenic

since its creation in 1998 the ICPDR has effectively promoted policy agreements and the setting of joint priorities and strategies for improving the state of the Danube and its tributaries which includes improving the tools used to manage environmental issues in the Danube basin. The goals of ICDPR are safeguarding the Danube's Water resources for future generation and ensuring naturally balanced waters free from excess nutrients, reduced risk from toxic chemicals, healthy and sustainable river systems and damage free floods. Milestones in achieving the goals are some successes like: development of a cooperative strategy for setting up the Danube River basin management Plan, cooptation with stakeholders to build a common understanding of the sustainable use of the Danube, facilitation for funding of 45 investment in waste water treatment, development of an emission inventory for pollution, operation of a basin wide emergency warning system, launch of Danube day on June 29 inaugurated in 2004 which has so far included more than 100 events held basin-.wide to raise awareness and strengthen «Danube Solidarity» (Active for the Danube River Basin).

## Methodology

Both partners in this partnership, Coca-Cola HBC and ICPDR develop and liaise among themselves their own partnership networks which also brings the potential of access to other partners to the partnership. Within an overall mandate that includes activities aiming to empower communities to protect the river and guard it for future generations, some research had been undertaken in past.

In 2004 a joint qualitative assessment was undertaken by a number of international organizations including ICPDR which resulted in the recommendations how to improve access to environmental information and enhance public participation in water management.

*The Green Danube Partnership* might be an opportunity to pursue assessing the overall partnership contribution to sustainability. This assessment aims to add value to *The Green Danube Partnership* process by attempting to assess the value added which *Coca-Cola HBC* already brings and would potentially bring into this partnership particularly in the area of empowering communities. The limited length of the final project paper is

one but not the only factor why the choice of particular cases is limited to three countries. Yet, as it is often the case with qualitative research it might well happen that the scope of the research might continue to grow during the paper preparation and after its submission.

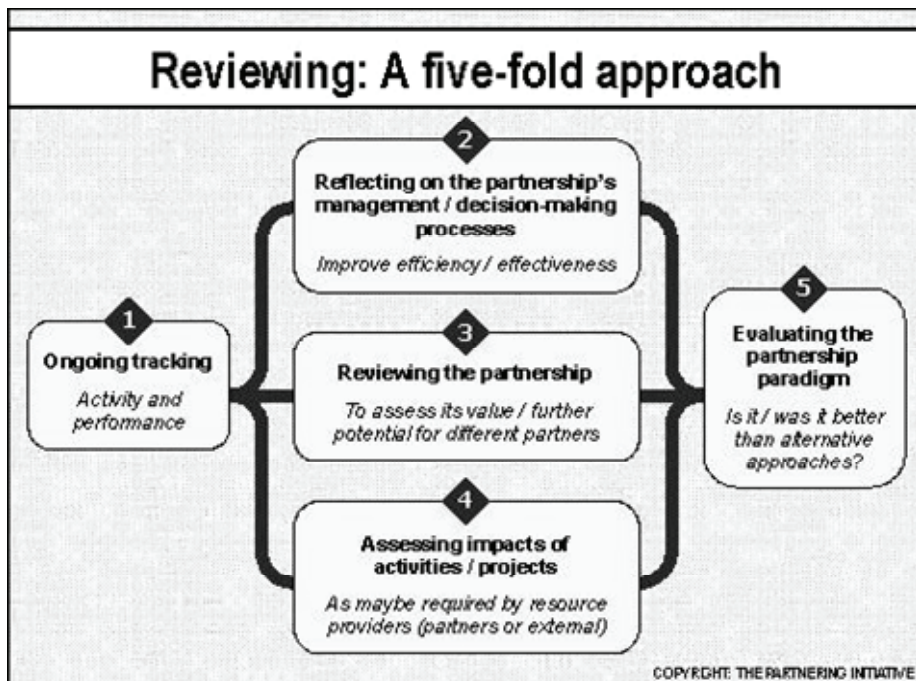
### Research Question and Methods used

The aim was to investigate how can *Coca-Cola HBC* through *The Green Danube Partnership*, the cross-sector partnerships for sustainable development, contribute to empowering communities for water preservation in general on the basis of cases in three Danube countries: Romania, Serbia and Bulgaria.

In developing the methodological concept, the short duration of the *Coca-Cola HBC involvement* in partnership was taken into consideration.

The desk research is mainly based on the findings of the literature review of the partnership conceptual framework in the review *Communication Factors in Cross-sector Partnerships for Sustainable Development*, the first assignment in the course. The main reason is that the joint goals of two partners in the *Green Danube Partnership*, the ICPDR and *Coca-Cola HBC*, being awareness rising of the population in the communities of Danube basin and capacity building of children in affected communities, lie in the broad area of communication.

The evaluation framework of empirical research is positioned on the basis of data from a survey by *CPI* administered to *Coca-Cola HBC* public affairs and communication managers. In the qualitative part the choice has been made to assess the added value of partnership in three countries by using the new *The Partnership Initiative* five-fold approach to reviewing partnerships.



The empirical research is based on triangulated methodology: both qualitative and quantitative methods are used. Some methods and indicators chosen are also selected from the methodology used in *Measuring the "Added Value" of Three-Sector Partnerships* (Mitchel, Shakleman, Warner, 2001). This methodology is particularly feasible for this case because its key assumption is that the impact of tri-sector part partnerships can be measured retrospectively by evaluating the extent to which partnerships have delivered in intended outcomes, in outcomes that add value over and above the most likely alternative action and other unexpected outcomes.

In order to assess the impact of partnership on various indicators of benefit, particularly the value-added of the partnership approach for the business, a structured questionnaire, based on CPI questionnaire on partnership was administered to public affairs and communication managers of *Coca-Cola HBC*. Semi-structured interviews were held with *CCHBC* and *TCCC* managers in the three selected countries. The assessment was made about *Coca-Cola HBC* current and potential contribution to empowering communities for water preservation. On the basis of the assessment recommendations for future action by *CCHB* was proposed.



## The ethical implications

It has not been feasible to consult beneficiaries due to sample scattered throughout a number of countries. Internal consultation has been held with *CCHBC* and *ICPDR* executives.

Potential issue is the author's affiliation to *Coca-Cola HBC*. Concern is not only about the factual and objective assessment of the potential of the partnership as a whole although this is very important, but also regarding the potential bias regarding *Coca-Cola HBC* contribution. In order to minimize the risk special effort was invested in assessment preparation and execution: the interviews were held upon clear explanations and reflection on various interests involved in partnerships. The research results are being shared with the partners and in case of a quotation the permission requested to quote.

## The research results

Research results consist of results of a desk research and empirical research.

Desk research consists of a conceptual framework focusing on communication dimension of partnership based on the previous CPI assignment titled “*Communication Factors in Cross-sector Partnerships for Sustainable Development*”. In addition, in desk research, relevant international legal documents, *ICPDR* and *Coca-Cola HBC* documents are assessed. Finally, recommendations based on the results of the previous research on improving access to environmental information and enhancing public participation in water management are listed.

In the empirical research the results of adapted *CPI* survey on partnerships have been triangulated with the assessment of partnership in four selected countries based on the partnership review model by *The Partnership Initiative*.

## Desk Research results

Two linked concepts relevant for the case study of *The Green Danube Partnership* were unpacked in the literature review – communication for partnership and communication for sustainable development. The four focal points emerged linked in a causative-consequential chain: stakeholder relations, collaboration, boundary spanning and two-way symmetrical communication.

The framework chain starts with stakeholder relations. Stakeholder mapping, power/interest stakeholder mapping (Johnson&Scholes, 2002), helps identify future partners. In *Coca-Cola HBC*, the process of stakeholder audit in the area of water stewardship surfaced *ICPDR* as the key stakeholder in a number of countries along the Danube. The concept of corporate social opportunity launched by Grayson and Hodges (2004) is applied; *ICPDR* is identified as one stakeholder group of high interest and power as a partner.

Partnership is based on collaboration the success of which depends on various factors related to the environment, membership characteristics, process and structure, communication, purpose and resources (Matessich, 2001). Collaboration is enriched by the variety of communication exchanges including those on a personal level. Such communication links to co-opetition (Elkington, 1997) meaning amalgam of co-operation or collaboration and competition. Ellington refers to Barry Nalebuff and Adam Brandenburger and their illustration of change of communication of business from “warlike” vocabulary to the language of collaboration and partnership.

The dialogue has high power in collaborative communication carrying what Isaacs (1999) calls - giving one example of a considerable shift of “the collective voice of the community”, from “polite competitors to willing collaborators” – “a sea change in the ways people saw one another and worked together”(p.23).

The best known organisational communication model, the so called Two-way Symmetrical Public Relations model by Gruning&Hunt (1984) is an adding value communication exchange concept. *Coca-Cola HBC* explores perceptions to place messages and also to adapt its initial position, thus communicating in a win-win zone. The two-way mixed motive model is a normative communication model in a cross-sector partnership for sustainable development

The facilitation role of partnership brokers is very important. (Tennyson (2005). Brokers are on the boundaries of organizational systems with the main function of spanning the boundaries of the systems. Boundaries have various degrees of boundary permeability and boundary spanners are “exchange agents” of processing information and enabling relationship building according to Leifer and Delbeque (1978.).

Brady (2005) lists four rules for businesses to obey in cross-sector partnerships for sustainable development:

- examining partner motives and transparency;
- ensuring common values and partnership objectives;
- clearly stating timeline and limits of behaviour;
- Reporting on the nature and financial value of the partnership externally.

In the emerging change of attitudes among organizations and individuals towards “partnership thinking”(Murphy&Coleman, 2000) which has the potential of social transformation, stakeholder relations are just the first step of one way information flow to what Brady calls “networks of trust” in multi-level partnerships of the future.

Legal compliance is one of government prime goals in *The Green Danube Partnership*. On the international scale when it comes to awareness raising and public participation the two most important documents are *European Union's Water Framework Directive* (Article 14) and the *Aarhus Convention* which took effect in 2001. In the Directive, the rationale behind the call for public participation is in the shared commitment of EU member states to balance stakeholder interest and the stakeholder dialogue and the government accountability related to greater transparency which is nurtured by public participation. The Convention signed and ratified so far by 40 European countries and the EU sets required standards for minimum public participation and focuses on interactions between the public and public authorities in the matters of environment protection.

The research titled “*How to Improve Access to Environment Information and Enhance Public Participation in Water Management*” by UNDP, GEF and ICPDR (2004) consists of five demonstration projects which had been conducted at Danube River “hot spots”, areas identified by ICPDR as having exceptionally high levels of pollution in order to test new access to information or citizen involvement and one of the results are 10 recommendations regarding

improvement of access to information and public participation in water management:

- Learn from other's experience
- Build bridges between information seekers and information providers
- Prepare manual for government officials
- Explain the procedures to the public
- Centralize information storage
- Develop clear procedures for protecting confidential information
- Use and maintain electronic tools where appropriate
- Involve the broad public at all stages
- Make the most of opportunities to participate
- Safeguard public participation rights to prevent erosion

As concluded in the research this project showed how “innovative collaborations among stakeholders can help overcome substantial barriers to information access and more fully engage the public in efforts to address pollution hot spots in the community”.

## **Empirical Research Results**

Out of twenty public affairs and communication managers present at the annual meeting in Rome in October 2007 fourteen participated in the survey administered. Some of them did not provide answers / inputs to all questions. The joint element in partnerships was the Danube platform (Slovakia: Danube Day & Hand in Hand with River; Hungary: Danube - Drava National Park; Freshwater Conservation; Austria: Danube Challenge / Ministry of environment "Generation Blue"). Other partnership named were: Bulgaria: Council for environmental policy; Greece: GLOP Mediterranean Division; Belarus: APB - Birdlife Belarus; Italy: Otthes house; Ireland: UNICEF - Deep River Rock; Slovenia: Water Forever; Russia: National junior water prize contest & Living Volga; Poland: Kropla Beskidu Fund.

In the answers of the aim of the water partnerships, some of the answers included government policies; influencers on regulations; CSR; protection of Danube river and basin; education; know-how; endorsement; excellence; credibility; freshwater conservation; ecology; environment protection; strong stakeholder and relationship gain; emphasize the

importance of water consumption for wildlife; fresh water conservation awareness among young people; raising awareness about the necessity to protect water.

Majority of partnerships on water in CCHBC countries are clearly cross-sectoral with the greatest number of NGOs involved.

Regarding the start and the initiative for the partnership set up, 85.7% answered that consultation exercise and needs analysis had been carried out before the partnership was set up. In addition, Austrian manager stated that SWOT analysis and cost-benefit analysis have been executed. Also, the majority (64.3%) did include consultations with beneficiaries. This did not mean that this was necessary done by *Coca-Cola HBC* itself but probably by other partners, most likely the government counterpart. Also, majority of interviewees confirmed that they have formal agreements with their partners: 85.7% apart from the “central” MOU that *Coca-Cola HBC* Group had signed with ICPDR. In interviews, the manager from Hungary explained the initial consultations in Hungary, for example were based on *Coca-Cola HBC* initiative and through discussions with the government authority.

The situation in four selected countries also proves careful set up process. The summary of the projects in Bulgaria, Romania, Hungary and Serbia shows mainly the same pattern of activities as can be shown on Bulgarian example.

In Bulgaria, the project has been going on for three years and an increased investment on the part of *Coca-Cola HBC* (from 5000 EU in year one to 60.000 in year three) illustrates how it has developed from a minor partnering initiative to full cross-sector partnership. In 2007 *Green Danube Partnership* has focused on local communities and direct communication with the local population whereby branded *Green Danube Project* bus visited villages and towns along the river Danube and took part in a number of celebrations involving local caretakers. Two key messages were promoted: protection of the natural environment of the river as the main source of life in the region and protection and enrichment of the local non-material cultural heritage. Altogether sixty one places were visited with participation of approximately 25.000 people. The partners were *Coca-Cola HBC*, The Ministry of the Environment and The Basin Directorate (an institution in charge of protection of all rivers in Bulgaria) and a strong environmental NGO *Eco Community*. The Ministry fully endorsed the project including logo on all materials which was considered a significant success in the business community, and also gave its air time on the national TVs for the promotion

of the *Danube Day* on 29 of June. The whole summer before the event population in the Basin was exposed to various sensitization materials branded jointly by the Ministry and NGO. Materials included printed leaflets, books, magazines and calendars. The clear value for *Coca-Cola HBC* was the opportunity to establish good relations with the local authorities in the area who welcomed the opportunity to build local capacities in awareness rising.

The same pattern is present in *The Green Danube Partnership* in other three countries: there is an involvement of a local NGO or couple of those, the national administration on water related to a sector ministry which ensures media time for awareness raising and strong media coverage of picturesque events and imaginative activities. In all four countries projects develop from the more or less humble beginning in financial terms to bigger projects.

### **a) Ongoing tracking**

#### *Activity and performance*

*Coca-Cola HBC* was measuring impact in its reputation with various stakeholder groups, particularly by media coverage indicators and qualitative assessment of the local government relationships. The company did not, however, have any indicator to measure the impact on the user population. Presumably, the government mechanisms could be set in motion in measuring the impact via surveys on limited samples. The application of *Danube box* in schools inevitably draws on board methods of measurement implied. Nevertheless it appears that no unique consistent methodology has been applied for measuring the impact in all four countries, but only the output has been regularly measured. In Bulgaria, for example, the indirect appraisal came in the form of *The Award for the Investor in the Environment* given by the *International Business Leaders Forum (IBLF)* to *Coca-Cola HBC* and the *Eco Community*.

### **b) Reflecting on the partnership's management / decision-making processes**

#### *Improve efficiency / effectiveness*

The management of the process was shared among the partners. In Bulgaria it seems to have stayed technically with *Coca-Cola HBC* since they were the main financial contributors. In other countries the assessment revealed mutual division making on the partnership level. The NGO contributed volunteer work and experience in awareness raising technique and

the role of government was mainly in the endorsement and extending services in media relations. *Coca-Cola HBC* showed no ambition to take the main credit which was well received by the other partners. The management process involved negotiations but there were no serious obstacles in it. The projects were presented to the public as cross-sector partnership and this was well received publicly as an innovation which was between the lines attributed to Coca-Cola. As an example of mutual management, Press offices of the Ministry of The Environment and Coca-Cola HBC issued in some cases mutual press releases with both logos. This is considered unusual in Bulgarian terms and proved to be an argument on favour of such type of partnerships. In other countries governmental administration also took lead in activities which contributed to Coca-Cola HBC reputation with various publics, including governmental bodies and institutions.

It is internally assessed that Coca-Cola HBC has displayed a low key profile in decision making which has been positively assessed by the governmental authorities and NGOs.

### **c) Reviewing the partnership**

*To assess its value / further potential for different partners*

Partnerships in which Coca-Cola HBC took part for water preservation are evenly distributed across different sectors according to the survey. Value for Coca-Cola HBC was in the area of reputation and stakeholder relations, not only in the local community but also with the Ministry at policy levels and expert levels. The governments in some cases took credit for a strategic partnership initiative which had even international dimensions since it involved contacts with ICPDR government partners and liaising with other Danube countries. The NGOs clearly valued the opportunity to engage in local capacity building and to get adequate exposure and credit for this. In some cases the expertise in *Coca-Cola HBC* in public affairs and communication was clearly brought to the table and added value to the partnership that needed to strengthen and widen its network of partners. “We know how to sell”, explained Coca-Cola manager in Hungary, illustrating this.

In all four countries the project was a success and is continuing to develop, as majority of the interviewed explained, thanks to clear roles and understanding and mutual respect of partners. In the survey vast majority of interviewees (92.9%) think that the partnerships they achieved are very successful: 42.9% or fairly successful: 50.0%. In addition, the majority of *Coca-*

*Cola HBC* managers felt clear partnership agreement was the most important success factor.

#### **d) Assessing impacts of activities / projects**

*As maybe required by resource providers (partners or external)*

In the survey answering the question about who has benefited from the partnerships activities, managers provided multiple answers: Majority (12 answers provided) believes that all partners benefited from the partnership, and some (5 answers provided) think that the partnership provided benefit to target group(s).

Number of participants, media time, and media coverage were used to indirectly assess the impact on the target population. Yet, neither NGO nor The Ministry set up a baseline assessment with indicators and monitoring mechanisms which would follow both the process initiated and the impact. Clearly, *Coca-Cola HBC* as a business partner at this stage did not express initiative to set up an evaluation which would measure the ultimate social impact on beneficiaries.

#### **e) Evaluating the partnership paradigm**

*Is it / was it better than alternative approaches?*

The value added of the project as assessed by *Coca-Cola HBC* was «the balance of power of all three partners», which was an original phrase to describe the process of partnership learning that was found to be of utmost value.

All the interviewed and majority of those participating in survey are willing to continue the partnership and expect it will continue to grow.

Interestingly enough majority in the survey gave negative answer to the questions about accountability principles of the partnership (Majority of 64.3% interviewees gave a negative answer, while 35.7% answered “yes”) while the interviewed in the four countries clearly stated high ethical standards and accountability principles involved in the management and effectiveness of the partnership.

Finally, in the survey majority felt that lack of planning and vision were major obstacles while in interviews, limited resources, not only in financial terms but first of all, scarce human resources, were found to be the main challenge.

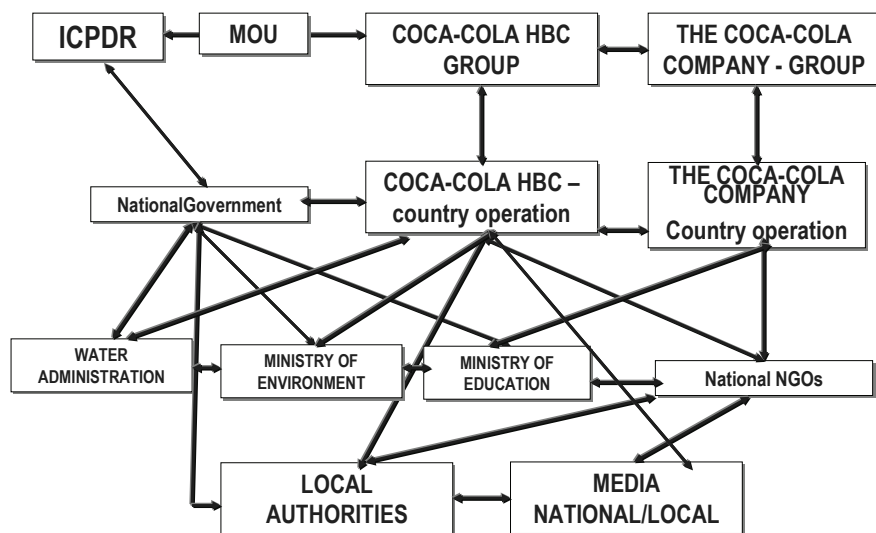


## Analysis and Comments

One of the main values of partnership - to be able to achieve more than any of the parties alone could have achieved - has proved to be true in case of *The Green Danube Partnership*. The empirical research has shown that the structure and processes in the partnerships more or less resembled each other in the four countries whose cases were studied. The initiative to start a project in a particular country was not based only on the initiative of *Coca-Cola HBC* to build upon existing capacities and activities on the ground led and inspired by ICPDR and national governments, but also on the assessment of the will on the part of the government to engage in this type of partnership which in all the four countries studied is not exactly a common habit. Government authorities, mainly the ministries in charge of environment and education have provided strategic coordination and brokered the agreements on national level. This is somewhat unusual partnership structure since it is not only cross-sector but also cross-boundary. The MOU signed by ICPDR does not oblige national governments but provides a partnership brokering tools for engagement on national level.

This reveals somewhat unusual structure of the partnership in which the central structure of *Coca-Cola HBC* which operates on the principles of “freedom within framework” has proven to be feasible for trans-national links and processes. Of particular weight is the relation of *Coca-Cola HBC* and *The Coca-Cola Company (TCCC)* which itself operate under terms of a complex partnership usually titled *The Coca-Cola System*. This alignment within the system the extent and the quality of which very much varies from country to country is an advantage on the part of the private sector partner in *The Green Danube Partnership* that other private business might not have brought on board. The dynamic structure of this *Coca-Cola* partnership is a value added to stakeholders and partners with which *Coca-Cola* exchanges products and services, even when both entities are not board. The marketing capacity within *The Coca-Cola Company*, the selling capacities within *Coca-Cola HBC*, public affairs and communication functions network aligned have a multiplying effect on the processes within the partnership – adding value to its networking and awareness raising capacities primarily. There is a multiplying effect within *Coca-Cola* system that continues to multiply its strengths once the system enters relations with different partners and stakeholders.

### *The Green Danube Partnership* Structures and Processes



Through multiple network that *ICPDR* establishes with national governments, on the other hand, *Coca-Cola* gets access to the governmental structures on national level and through them, directly or indirectly, to local authorities. The value added is brought by the *ICPDR* supra-state positioning and legal mandate in the context of international treaties. *ICPDR* plays a role of the broker on both national and international levels and builds blocks in the shape of best practices.

The position of NGOs in this partnership is particularly inspiring to other national drivers of change in the civil society. In some case it is exactly the NGO that breaks the prejudices and deals with biases in the public sphere in order to enable the functioning of the cross-sector partnership on the national level.

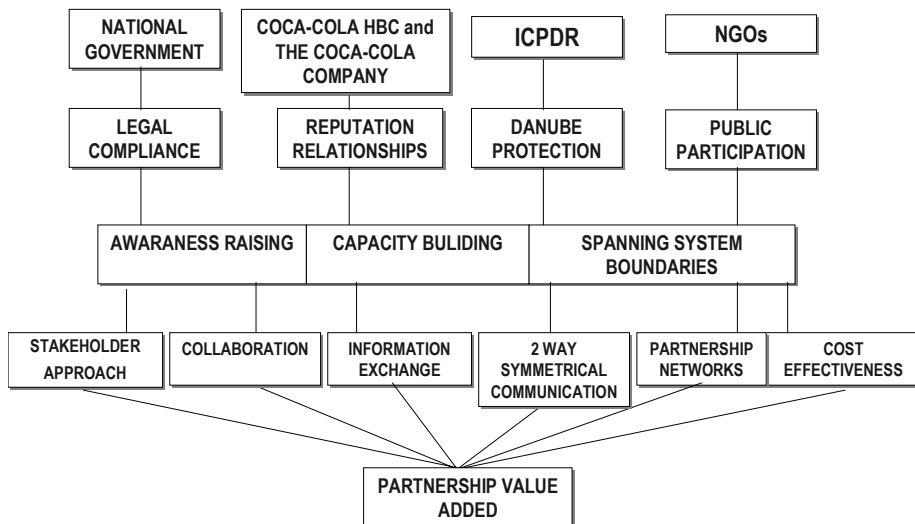
As it is shown on the design, the structure of the partnership is supra-state, inter-national and cross-sector, and enables processes of communication and collaboration among all partners on all levels via mediation of higher management levels within same systems but also via direct relations build not as a goal but as a side effect of these processes.

In terms of systems theory, these are systems with permeable boundaries and communication agents which act as brokers of relationship building across system boundaries. These brokers are also communication brokers. There is a synergy in the processes involved that strengthens the power of the structure and processes of partnership, not a rigid but a flexible and ever changing structure and dynamic processes.

All the partners add value and the clearer the roles and responsibilities appointed, the more transparent the drivers for the partners to engage, the more powerful the synergy in the partnership. Coca-Cola adds value by its resources, aligned Coke system with its resources, skills and complementary competencies and facilitates particularly cross-boundary and cross-national dimension of the partnership.

### *The Green Danube Partnership*

#### **Partners Goals and Strategies Alignment**



Here is a clear alignment of partner's goals and strategies. If in a simplified schematic structure of the partnership process only main goals are considered: legal compliance for the government, relationship building and reputation for *Coca-Cola HBC*, protection of the Danube basin of *ICPDR* and public participation in environmental management of national NGOs, they all

find their joint reach in the implementation strategy of *The Green Danube Partnership* which is focusing on three strategic thrust: awareness raising, capacity building and education and spanning the boundaries of national and supra-national systems. There is a synergistic effect between these three strategies because awareness raising leads to sensitizing population to environmental issues and public services and NGOs take part in the process as brokers and capacity builders. Approaches used, like stakeholder approach, collaboration, information exchange; two-way symmetrical communications, building partnership networks and cost effectiveness or value for money are all drivers that fall into the framework of communication in the partnership. For *Coca-Cola HBC* each of these drivers is one element of value added to the partnership: it is through exact application of these drivers in its overall partnership action that Coca-Cola HBC adds value to *The Green Danube Partnership*.

**f) Business outcome of *The Green Danube Partnership* (GDP)**

In addition there are clear business benefits for Coca-Cola HBC revealed in this research – value added of a “partnership approach, over and above the alternative ways in which business, government and civil society organisations could meet their social objectives”. (Mitchell, Shakleman, Warner, 2001). A limited set of indicators as presented in their methodology for assessing “value added partnership” is used here to illustrate potential options for a structured value based impact and process evaluation.

Benefits of GDP	Indicator of Benefit	Impact of Partnership on Indicator	Assumed most-likely alternative strategy to partnership	Incremental Contribution	Confidence in evidence
Corporate Reputation	Improved relations with national authorities increasing contribution on the global level (UNGC)	Partnership raised CCHBC to state level partnership reinforced by strong media support	Philanthropy and donations/sponsorships with low impact on relations with the ministries and high officials	Coca-Cola HBC positioned as respectful government partner and global CSR player	High
Competitive advantage	Improved relations on local level are potential for maintaining existing concessions or getting new ones in future	Positive local relationships resulted from partnership have increased CCHBC position on the local market and strengthened the licence to operate	Social investments in local terms reduced to cash donations, creating the culture of dependence contributing to marketing and PR abuse of CSR on public scene	In some local areas CCHBC was positioned as the neighbour of choice and got national and international recognition (Bulgarian award, for example)	High
Investment risk	Communities gaining access to other social investors from other areas of business recognising the importance of ICPDR goals in Danube basin	CCBH brought many other businesses on board ready to invest in local communities by the strength of the brand and CSR reputation in the country and local communities in the basin	If it were not for partnership, CCBH might have been the only investor in many areas which would have contributed to the culture of dependence and affected the community expectations	GDP positioned CCHBC among CSR leaders in respective countries and enriched b2b relations necessary in legislation related and public affairs activities	Moderate

## Conclusions and Recommendations

Green Danube Partnership between Coca-Cola HBC, ICPDR and national governments in Danube basin and local NGOs is an example of a successful value added partnership for sustainable development.

It is not only cross-sector but also cross national partnership, the quality which particularly adds synergistic value to the project on the global level.

*The Green Danube Partnership* has three strategic thrust: awareness raising, capacity building and education and spanning the boundaries of national and supra-national systems that enhance its synergistic effect.

Stakeholder approach, collaboration, information exchange; two-way symmetrical communications, building partnership networks and cost effectiveness or value for money are all of Green Danube Partnership which add value to it.

The assessment of business outcome of Coca-Cola investment in Green Danube Partnership shows strong benefit in the area of reputation and relationship building with various stakeholders.

There is no unique and consistent evaluation of impact and processes set up within the partnership.

In future, the following recommendations might be considered by the partners:

- a) Increasing the number of countries involved
- b) Creating *Green Danube Partnerships* NGO networks in the Danube Basin
- c) Soliciting needed support from other resources national and international
- d) Setting up a unique impact evaluation system
- e) Increasing The Coca-Cola system alignment to the benefit of the partnership

Social change requires thousands of small steps and a great vision. *Green Danube Partnership* seems to have potential not to compromise its positive reputation so far and the ability to create a myriad of new challenges and to deal with them.

## References

- Brady, A.K. (2005.), *The Sustainability Effect*, Palgrave, Macmillan, (p.130)
- Bloomfield, S.(2004), *When is a «Partnership» not a Partnership?*, in Partnership Matters, issue 2, 2004
- Brugmann, J. and Prahalad, C. (2007) 'Cocreating Business's New Social Compact', *Harvard Business Review*, 1829, Harvard Business School Publishing Corporation.
- Covey, J. and Brown, L.D. (2002) 'Critical Cooperation: An Alternative
- Cutlip, S.M., Center A.H, and broom, G.M.(2000), *Effective Public Relations*, Prentice Hall, (p.111)
- Form of Civil Society-Business Engagement'. *Institute for Development Research*, 17, 1, 1-18.
- Elkington, J. (1998), *Canibals with Forks*, New Society Publishers, (p.232-233)
- Freeman, R.E. (1984), *Strategic Management: A Stakeholder Approach*, Pitman, Boston, MA
- Grayson,D.&Hodges, A.(2004), *Corporate Social Opportunity*, Greenleaf Publishing
- Grunig, E.J. (2001), *Two-Way Symmetrical Public Relations: Past, Present and Future* , in Heath, L.R.2001) *Handbook of Public Relations*, Sage Publications (p. 11-31)
- Handy, C. (2003), 'What`s a Business For?', u *Harvard Business Review on Corporate Responsibility*, Harvard Buisness Press, str.65-83
- Holliday, C. O., Schmidheiny, S. Watts, P. (2002). *Walking the Talk: The Business case for sustainable Development*. San Francisco, Berret-Koehler Publishers
- International Labour Organization (2004) *Monitoring/Evaluation*, viewed 19 April 2007,  
[http://www.ilo.org/ciais/pages/english/tos/actcycle/feedback/tx\\_princ/princp\\_1.htm](http://www.ilo.org/ciais/pages/english/tos/actcycle/feedback/tx_princ/princp_1.htm)
- Isaacs, W. (1999.), *Dialogue and the Art of Thinking Together*, Currency

- Johnson, G. i Scholes, K. (2002), *Exploring Corporate Strategy*, Pearson Education Ltd, (p.207-209, 213)
- Leifer, R.P.&Delbecq,A.(1978.), *Organisational /environmental exchange: a Model of Boundary Spanning Activity*, Academy of Management Review, No.3
- Mattessich, P.W. et. al. (2001), *Collaboration: What makes it work?*, Amherst H. Wilder Foundation (p.23.)
- Mitchell, J.,Shakleman, J. Warner, M. (2001), Measuring the «Added Value» of Tri-Sector Partnerships, Business partners for nDevelopment, Natural Resources Cluser
- Murphy, D. & Coleman, G. (2000), *Thinking Partners*, in Jem Bendell (edt.), *Terms for Endearment*, Greenleaf (207-215)
- Murphy, D. and Coleman, G. (2002) *Thinking partners: Business, NGOs and the partnership concept*. In J. Bendell (Ed.) *Terms for Endearment* (pp. 207-215), Sheffield, U.K., Greenleaf publishing.
- Prickett, G. (2003) *Can corporate-NGO partnerships save the environment? Part 1*. On online opinion, Australia e-journal of Social and Political debates, viewed, 14 April 2007,  
<http://www.onlineopinion.com.au/view.asp?article=1180>
- Price, S. (1996.), *Communication Studies*, Longman
- Schiller, B. (2005) *Ethical Corporation Reports: Business-NGO Partnerships*. Ethical CorporationOnline,  
[http://www.ethicalcorp.com/londonpartnership/FINAL\\_REPOR T\\_Jan\\_10.pdf](http://www.ethicalcorp.com/londonpartnership/FINAL_REPOR T_Jan_10.pdf), Date accessed: 14/04/2007.
- Tennyson, R. (2003) *The Partnering Toolbook*. The International Business Leaders Forum and the Global Alliance for Improved Nutrition.